



**RECEIVED**  
EXECUTIVE DOCUMENT SUMMARY  
State Form #1221 (R10/4-06)  
Instructions for completing the EDS and the Contract process.  
**SEP 21 2007 AG**  
1. Please read the guidelines on the back of this form.  
2. Please type all information.  
3. **DEPARTMENT OF ADMINISTRATION**  
4. For amendments, renewals, and other changes to the contract.  
5. Attach additional pages if necessary.  
**CONTRACTS DIVISION**

1. EDS Number: D6-7-BA596	2. Date prepared: 8/9/2007
<b>3. CONTRACTS &amp; LEASES</b>	
<input type="checkbox"/> Professional/Personal Services <input type="checkbox"/> Grant <input type="checkbox"/> Lease <input type="checkbox"/> Attorney <input type="checkbox"/> MOU <input type="checkbox"/> QPA	<input checked="" type="checkbox"/> Contract for procured Services <input type="checkbox"/> Maintenance <input type="checkbox"/> License Agreement <input type="checkbox"/> Amendment# <input type="checkbox"/> Renewal # <input type="checkbox"/> Other
<b>FISCAL INFORMATION</b>	
4. Account Number: 1000-49078.539000	5. Account Name: State Retiree Health Plan
6. Total amount this action: \$300,000.00	7. New contract total: \$300,000.00
8. Revenue generated this action: \$0.00	9. Revenue generated total contract: \$0.00
10. New total amount for each fiscal year: Year 2008 \$275,000.00 Year 2009 \$25,000.00 Year \$ Year \$	
<b>TIME PERIOD COVERED IN THIS EDS</b>	
11. From (month, day, year): 8/1/2007	12. To (month, day, year): 8/1/2008
13. Method of source selection: <input type="checkbox"/> Bid/Quotation <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Negotiated <input type="checkbox"/> RFP# <input type="checkbox"/> Other (specify)	
35. Will the attached document involve data processing or telecommunications systems(s)? Yes: IOT or Delegate has signed off on contract	
36. Statutory Authority (Cite applicable Indiana or Federal Codes): PL44-2007	
37. Description of work and justification for spending money. (Please give a brief description of the scope of work included in this agreement.) Claims Administration of the HRA accounts for retirement medical benefits accounts	
38. Justification of vendor selection and determination of price reasonableness: Current administrator of the flexible benefits accounts	
39. If this contract is submitted late, please explain why: (Required if more than 30 days late.)	
40. Agency fiscal officer or representative approval	41. Date Approved
44. Attorney General's Office approval awg	45. Date Approved 10-3-07

<b>AGENCY INFORMATION</b>	
14. Name of agency: State Budget Agency	15. Requisition Number:
16. Address: State Budget Agency STATE HOUSE 200 W WASHINGTON ST RM 212 INDIANAPOLIS, IN 46204	
<b>AGENCY CONTACT INFORMATION</b>	
17. Name: GREG STRACK	18. Telephone #: 317 2325623
19. E-mail address: gstrack@sba.in.gov	
<b>COURIER INFORMATION</b>	
20. Name: Julia Orebaugh	21. Telephone #: (317) 232-5601
22. E-mail address: jorebaugh@sba.in.gov	
<b>VENDOR INFORMATION</b>	
23. Vendor ID # 0000065890	
24. Name: KEY BENEFIT ADMINISTRATORS INC	25. Telephone #: (317)284-7633
26. Address: 8350 ALLISON POINTE TRAIL INDIANAPOLIS, IN 46250	
27. E-mail address: n/a	
28. Is the vendor registered with the Secretary of State? (Out of State Corporations, must be registered) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
29. Primary Vendor: M/WBE Minority: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Women: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	30. If yes, list the %: Minority: % Women: %
31. Sub Vendor: M/WBE Minority: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No Women: <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	32. If yes, list the %: Minority: % Women: 7.0 %
33. Is there Renewal Language in the document? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	34. Is there a "Termination for Convenience" clause in the document? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>RECEIVED</b> <b>SEP 25 2007</b> <b>OAG-ADVISORY</b> <b>Received</b> <b>AUG 13 2007</b> <b>AG</b> <b>IDOA Contracts</b>	
40. Agency fiscal officer or representative approval	41. Date Approved
42. Budget agency approval	43. Date Approved
44. Attorney General's Office approval	45. Date Approved
46. Agency representative receiving from AG	47. Date Approved



(Rev02-06)

## Contract For Services

This Contract, entered into by and between State Budget Agency (the "State") and Key Benefit Administrators (the "Contractor"), is executed pursuant to the terms and conditions set forth herein.

WHEREAS, the State desires to contract for services for the administration of the Health Reimbursement Arrangements (HRA)

WHEREAS, the Contractor has the necessary knowledge and expertise to provide such services.

NOW, THEREFORE, the parties agree as follows:

### 1. Duties of Contractor

Contractor shall provide the services set forth on Exhibit 1, attached hereto and incorporated herein (the "Services").

### 2. Consideration

Contractor shall be paid, in arrears, as set forth on Exhibit 1, attached hereto and incorporated herein. The total remuneration under this Contract shall not exceed Three Hundred Thousand Dollars (\$ 300,000.00 ).

### 3. Term

This Contract shall be effective for a period of 12 months. It shall commence on 08/01/07 or date of final State approval, whichever is later, and shall terminate on \_\_\_\_\_ or 12 months after date of final approval, whichever is later.

### 4. Access to Records

The Contractor and its subcontractors, if any, shall maintain all books, documents, papers, accounting records, and other evidence pertaining to all costs incurred under this agreement. They shall make such materials available at their respective offices at all reasonable times during the contract period, and for three (3) years from the date of final payment under the contract, for inspection by the State or by any other authorized representative of state government. Copies thereof shall be furnished at no cost to the State if requested.

### 5. Assignment

The Contractor binds its successors and assignees to all the terms and conditions of this Contract. The Contractor shall not assign or subcontract the whole or any part of this Contract without the State's prior written consent. The Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the State, provided that Contractor gives written notice (including evidence of such assignment) to the State thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Contract and shall not be made to more than one party.

### 6. Audits

Contractor acknowledges that it may be required to submit to an audit of funds paid through this Contract. Any such audit shall be conducted in accordance with IC 5-11-1 and audit guidelines specified by the State.

### 7. Authority to Bind Contractor

The signatory for the Contractor represents that he/she has been duly authorized to execute this Contract on behalf of the Contractor and has obtained all necessary or applicable approvals to make this Contract fully binding upon the Contractor when his/her signature is affixed, and certifies that this Contract is not subject to further acceptance by Contractor when accepted by the State of Indiana.

## 8. Changes in Work

In the event the State requires a major change in the scope, character or complexity of the work after the work has begun, adjustments in compensation to the Contractor shall be determined by the State in the exercise of its honest and reasonable judgment. The Contractor shall not commence any additional work or change the scope of the work until authorized in writing by the State. No claim for additional compensation shall be made in the absence of a prior written approval executed by all signatories hereto.

## 9. Compliance with Laws.

A. The Contractor shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment of any state or federal statute or the promulgation of rules or regulations thereunder after execution of this Contract shall be reviewed by the State and the Contractor to determine whether the provisions of this Contract require formal modification.

B. The Contractor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State, as set forth in Indiana Code § 4-2-6 et seq., the regulations promulgated there under, and Executive Order 04-08, dated April 27, 2004. If the contractor is not familiar with these ethical requirements, the contractor should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at <http://www.in.gov/ethics/>. If the Contractor or its agents violate any applicable ethical standards, the State may, in its sole discretion, terminate this Contract immediately upon notice to the contractor. In addition, the Contractor may be subject to penalties under Indiana Code § 4-2-6-12.

C. The Contractor certifies by entering into this Contract, that neither it nor its principal(s) is presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana. Further, the Contractor agrees that any payments in arrears and currently due to the State of Indiana may be withheld from payments due to the Contractor. Additionally, further work or payments may be withheld, delayed, or denied and/or this Contract suspended until the Contractor is current in its payments and has submitted proof of such payment to the State.

D. The Contractor warrants that it has no current or pending or outstanding criminal, civil, or enforcement actions initiated by the State of Indiana pending, and agrees that it will immediately notify the State of any such actions. During the term of such actions, Contractor agrees that the State may delay, withhold, or deny work under any Supplement or contractual device issued pursuant to this Contract and any supplements or amendments.

E. If a valid dispute exists as to the Contractor's liability or guilt in any action initiated by the State of Indiana or its agencies, and the State decides to delay, withhold, or deny work to the Contractor, the Contractor may request that it be allowed to continue, or receive work, without delay. The Contractor must submit, in writing, a request for review to the Indiana Department of Administration (IDOA) following the procedures for disputes outlined herein. A determination by IDOA shall be binding on the parties.

F. Any payments that the State may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest under IC 5-17-5.

G. The Contractor warrants that the Contractor and its subcontractors, if any, shall obtain and maintain all required permits, licenses, and approvals, as well as comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed is a material breach of this Contract and grounds for immediate termination of the Agreement and denial of further work with the State.

H. The Contractor hereby affirms that it is properly registered and owes no outstanding reports with the Indiana Secretary of State.

I. As required by IC 5-22-3-7:

(1) the Contractor and any principals of the Contractor certify that (A) the Contractor, except for de minimis and nonsystematic violations, has not violated the terms of (i) IC 24-4.7 [Telephone Solicitation Of Consumers], (ii) IC 24-5-12 [Telephone Solicitations] , or (iii) IC 24-5-14 [Regulation of Automatic Dialing Machines] in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and (B) the Contractor will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.

(2) The Contractor and any principals of the Contractor certify that an affiliate or principal of the Contractor and any agent acting on behalf of the Contractor or on behalf of an affiliate or principal of the Contractor: (A) except for de minimis and nonsystematic violations, has not violated the terms of IC 24-4.7 in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and (B) will not violate the terms of IC 24-4.7 for the duration of the

Contract, even if IC 24-4.7 is preempted by federal law.

## 10. Condition of Payment

All services provided by the Contractor under this Contract must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, local laws, ordinances, rules, and regulations. The State shall not be required to pay for work found to be unsatisfactory, inconsistent with this Contract or performed in violation of and federal, state, or local statute, ordinance, rule or regulation.

## 11. Confidentiality of Data, Property Rights in Products, and Copyright Prohibition

The Contractor agrees that all information, data, findings, recommendations, proposals, etc. by whatever name described and in whatever form secured, developed, written or produced by the Contractor in furtherance of this contract shall be the property of the State. The Contractor shall take such action as is necessary under law to preserve such property rights in and of the State while such property is within the control and/or custody of the Contractor. By this contract, the Contractor specifically waives and/or releases to the State any cognizable property right of the Contractor to copyright, license, patent or otherwise uses such information, data, findings, recommendations, proposals, etc.

## 12. Confidentiality of State Information

The Contractor understands and agrees that data, materials, and information disclosed to Contractor may contain confidential and protected information. The Contractor covenants promises and assures that data, material, and information gathered, based upon, or disclosed to the Contractor for the purpose of this Contract, will not be disclosed to others or discussed with third parties without the prior written consent of the State.

## 13. Conflict of Interest

- A. As used in this section:
- "Immediate family" means the spouse and the unemancipated children of an individual.
  - "Interested party," means:
    1. The individual executing this Contract;
    2. An individual who has an interest of three percent (3%) or more of Contractor, if Contractor is not an individual; or
    3. Any member of the immediate family of an individual specified under subdivision 1 or 2.
  - "Department" means the Indiana Department of Administration.
  - "Commission" means the State Ethics Commission.
- B. The Department may cancel this Contract without recourse by Contractor if any interested party is an employee of the State of Indiana.
- C. The Department will not exercise its right of cancellation under section B, above, if the Contractor gives the Department an opinion by the Commission indicating that the existence of this Contract and the employment by the State of Indiana of the interested party does not violate any statute or rule relating to ethical conduct of State employees. The Department may take action, including cancellation of this Contract, consistent with an opinion of the Commission obtained under this section.
- D. Contractor has an affirmative obligation under this Contract to disclose to the Department when an interested party is or becomes an employee of the State of Indiana. The obligation under this section extends only to those facts that Contractor knows or reasonably could know.

## 14. Continuity of Services

- A. The Contractor recognizes that the services under this contract are vital to the State and must be continued without interruption and that, upon contract expiration, a successor, either the State or another Contractor, may continue them. The Contractor agrees to:
1. Furnish phase-in training, and
  2. Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.
- B. The Contractor shall, upon the State's written notice:
7. Furnish phase-in, phase-out services for up to sixty (60) days after this contract expires, and

8. Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required.

The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the State's approval. The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this contract are maintained at the required level of proficiency.

- C. The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

The Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations).

## 15. Debarment and Suspension..

A. The Contractor certifies that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the State. The term "principal" for purposes of this Contract means an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor.

B. The Contractor also further certifies that it has verified the suspension and debarment status for all sub-contractors receiving funds under this Contract and shall be solely responsible for any recoupments, paybacks and or penalties that might arise from non-compliance. Contractor shall immediately notify the State if any sub-contractor becomes debarred or suspended, and shall, at the State's request, take all steps required by the State to terminate its contractual relationship with the sub-contractor for work to be performed under this Contract.

## 16. Default by State

If the State, sixty (60) days after receipt of written notice, fails to correct or cure any material breach of this Contract, then the Contractor may cancel and terminate this Contract and institute the appropriate measures to collect all monies due up to and including the date of termination.

## 17. Disputes

- A. Should any disputes arise with respect to this Contract, the Contractor and the State agree to act immediately to resolve such disputes. Time is of the essence in the resolution of disputes.
- B. The Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all its responsibilities under this Contract that are not affected by the dispute. Should the Contractor fail to continue to perform its responsibilities regarding all non-disputed work without delay, any additional costs incurred by the State or the Contractor as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim against the State for such costs. If the State and the Contractor cannot resolve a dispute within ten (10) working days following notification in writing by either party of the existence of a dispute, then the following procedure shall apply:
1. The parties agree to resolve such matters through submission of their dispute to the Commissioner of the Indiana Department of Administration. The Commissioner shall reduce a decision to writing and mail or otherwise furnish a copy thereof to the Contractor and the State within ten (10) working days after presentation of such dispute for action. The Commissioner's decision shall be final and conclusive unless either party mails or otherwise furnishes to the Commissioner, within ten (10) working days after receipt of the Commissioner's decision, a written appeal. Within ten (10) working days of receipt by the Commissioner of a written request for appeal, the decision may be reconsidered. If no reconsideration is provided within ten (10) working days, the parties may mutually agree to submit the dispute to arbitration for a determination, or otherwise the dispute may be submitted to an Indiana court of competent jurisdiction.
  2. The State may withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the State to the Contractor of one or more invoices not in dispute in accordance with the terms of this Contract will not be cause for Contractor to terminate this Contract, and the Contractor may bring suit to collect these amounts without following

the disputes procedure contained herein.

### 18. Drug-Free Workplace Certification

The Contractor hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. The Contractor will give written notice to the State within ten (10) days after receiving actual notice that the Contractor or an employee of the Contractor in the State of Indiana has been convicted of a criminal drug violation occurring in the Contractor's workplace. False certification or violation of this certification may result in sanctions including, but not limited to, suspension of contract payments, termination of this Contract and/or debarment of contracting opportunities with the State for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total contract amount set forth in this Contract is in excess of \$25,000.00, Contractor hereby further agrees that this contract is expressly subject to the terms, conditions, and representations of the following certification:

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Indiana Department of Administration is requiring the inclusion of this certification in all contracts and grants from the State of Indiana in excess of \$25,000.00. No award of a contract shall be made, and no contract, purchase order or agreement, the total amount of which exceeds \$25,000.00, shall be valid, unless and until this certification has been fully executed by the Contractor and made a part of the contract or agreement as part of the contract documents.

The Contractor certifies and agrees that it will provide a drug-free workplace by:

- A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace, and specifying the actions that will be taken against employees for violations of such prohibition;
- B. Establishing a drug-free awareness program to inform its employees of (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;
- C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment, the employee will (1) abide by the terms of the statement; and (2) notify the Contractor of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- D. Notifying in writing the State within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction;
- E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) taking appropriate personnel action against the employee, up to and including termination; or (2) requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and
- F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

### 19. Employment Option

If the State determines that it would be in its best interest to hire an employee of the Contractor, the Contractor will release the selected employee from any non-compete agreements that may be in effect. This release will be at no cost to the State or employee.

### 20. Force Majeure

In the event that either party is unable to perform any of its obligations under this contract or to enjoy any of its benefits because of natural disaster or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, all obligations under this contract shall be immediately suspended. If the period of nonperformance exceeds thirty (30) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has

not been so affected may, by giving written notice, terminate this contract.

## **21. Funding Cancellation**

When the Director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Contract, this Contract shall be canceled. A determination by the Budget Director that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

## **22. Governing Laws**

This Contract shall be construed in accordance with and governed by the laws of the State of Indiana and suit, if any, must be brought in the State of Indiana.

## **23. Indemnification**

The Contractor agrees to indemnify, defend, and hold harmless the State, its agents, officers, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission of the Contractor and/or its subcontractors, if any, in the performance of this Contract. The State shall not provide such indemnification to the Contractor.

## **24. Independent Contractor**

Both parties hereto, in the performance of this contract, shall act in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume liability for any injury (including death) to any persons, or damage to any property arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

The Contractor shall be responsible for providing all necessary unemployment and workers' compensation insurance for the Contractor's employees

## **25. Information Technology Enterprise Architecture Requirements.**

If Contractor provides any information technology related products or services to the State, Contractor shall comply with all Indiana Office of Technology (IOT) standards, policies, and guidelines, which are online at <http://iot.in.gov/architecture/>. Contractor specifically agrees that all hardware, software, and services provided to or purchased by the State shall be compatible with the principles and goals contained in the electronic and information technology accessibility standards adopted under Section 508 of the Federal Rehabilitation Act of 1973 (29 U.S.C. 794d) and IC 4-13.1-3. Any deviation from these architecture requirements must be approved in writing by IOT in advance. The State may terminate this Contract for default if Contractor fails to cure a breach of this provision within a reasonable time.

## **26. Insurance**

A. The Contractor shall secure and keep in force during the term of this Contract, the following insurance coverages, covering the Contractor for any and all claims of any nature which may in any manner arise out of or result from this Contract:

1. Commercial general liability, including contractual coverage, and products or completed operations coverage (if applicable), with minimum liability limits of \$700,000 per person and \$5,000,000 per occurrence unless additional coverage is required by the State.
2. Automobile liability with minimum liability limits of \$700,000 per person and \$5,000,000 per occurrence.
3. The Contractor shall provide proof of such insurance coverage by tendering to the undersigned State representative a certificate of insurance prior to the commencement of this Contract and proof of Workers compensation coverage meeting all statutory requirements of IC 22-3-2. In addition, proof of an "all states endorsement" covering claims occurring outside the State is required if any of the services provided under this Contract involve work outside of Indiana.

B. The Contractor's insurance coverage must meet the following additional requirements:

1. The insurer must have a certificate of authority issued by the Indiana Department of Insurance.

2. Any deductible or self-insured retention amount or other similar obligation under the insurance policies shall be the sole obligation of the Contractor.
3. The State will be defended, indemnified and held harmless to the full extent of any coverage actually secured by the Contractor in excess of the minimum requirements set forth above. The duty to indemnify the State under this Contract shall not be limited by the insurance required in this Contract.
4. The insurance required in this Contract, through a policy or endorsement(s), shall include a provision that the policy and endorsements may not be canceled or modified without thirty (30) days' prior written notice to the undersigned State agency.
5. Failure to provide insurance as required in this Contract may be deemed a material breach of contract entitling the State to immediately terminate this Contract.

The Contractor shall furnish a certificate of insurance and all endorsements to the undersigned State agency prior to the commencement of this Contract.

## 27. Key Person(s)

- A. If both parties have designated that certain individual(s) are essential to the services offered, the parties agree that should such individual(s) leave their employment during the term of this Contract for whatever reason, the State shall have the right to terminate this Contract upon thirty (30) days prior written notice.
- B. In the event that the Contractor is an individual, that individual shall be considered a key person and, as such, essential to this Contract. Substitution of another for the Contractor shall not be permitted without express written consent of the State.
- C. Nothing in sections A and B, above shall be construed to prevent the Contractor from using the services of others to perform tasks ancillary to those tasks which directly require the expertise of the key person. Examples of such ancillary tasks include secretarial, clerical, and common labor duties. The Contractor shall, at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person or others.

Key person(s) to this Contract is/are TIFFANY ALSABROOK 317-284-7633

## 28. Licensing Standards

The Contractor and its employees and subcontractors shall comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules or regulations governing services to be provided by the Contractor pursuant to this Contract. The State shall not be required to pay the Contractor for any services performed when the Contractor or its employees or subcontractors are not in compliance with such applicable standards, laws, rules or regulations. If licensure, certification or accreditation expires or is revoked, or if disciplinary action is taken against the applicable licensure, certification, or accreditation, the Contractor

## 29. Material Incorporated or Referred to in Contract

The Contractor has supplied herewith all written materials, documents, or instruments mentioned or referred to in the contract except, where applicable, user manuals which will be included with the equipment upon delivery and which do not alter the terms of this agreement.

## 30. Merger & Modification

This Contract constitutes the entire agreement between the parties. No understandings, agreements, or representations, oral or written, not specified within this Contract will be valid provisions of this Contract. This Contract may not be modified, supplemented or amended, in any manner, except by written agreement signed by all necessary parties.



**29. Minority and Women's Business Enterprises Compliance.** The Contractor agrees to comply fully with the provisions of 25 IAC 5 and any participation plan that may have been submitted to the State.

The following MBE's and WBE's listed on the Minority and Women's Business Enterprises Division directory of certified firms will be participating in this Contract.

MBE/WBE	PHONE	COMPANY NAME	SCOPE OF PRODUCTS and/or SERVICES	UTILIZATION DATE	AMOUNT
WBE	317-547-9937	MAILING SOLUTIONS, INC.	MAILING SERVICES	8/01/07	\$10,637

### 32. Nondiscrimination.

Pursuant to IC 22-9-1-10 and the Civil Rights Act of 1964, the Contractor and its subcontractors shall not discriminate against any employee or applicant for employment in the performance of this Contract. The Contractor shall not discriminate with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of race, color, religion, sex, disability, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this Contract. The Contractor's execution of this Contract also signifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability or status as a veteran.

### 33. Notices

Whenever any notice, statement or other communication is to be sent to the State or to the Contractor, it shall be sent to the following addresses unless otherwise specifically advised:

State Budget Agency

212 State House

Indianapolis, In. 46204

Contact name & Title

Agency Name

Specific Address

TIN/FIN #

Notice to the Contractor shall be sent to:

Key Benefit Administrators

P.O. Box 55210

Indianapolis, IN. 46205 FIN #35-1450364

Payment to the Contractor shall be sent to:

Key Benefit Administrators

P.O. Box 55210

Indianapolis, IN. 46205

### **34. Ownership of Documents and Materials**

All documents, records, programs, data, film, tape, articles, memoranda, and other materials developed under this contract shall be considered "work for hire" and the Contractor transfers any ownership claim to the State of Indiana and all such materials will be the property of the State of Indiana. Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the State, is prohibited. During the performance of the services specified herein, the Contractor shall be responsible for any loss of or damage to these materials developed for or supplied by the State and used to develop or assist in the services provided herein while the materials are in the possession of the Contractor. Any loss or damage thereto shall be restored at the Contractor's expense. Full, immediate, and unrestricted access to the work product of the Contractor during the term of this contract shall be available to the State.

### **35. Payments**

All payments shall be made in arrears in conformance with State fiscal policies and procedures and, as required by IC 4-13-2-14.8, by electronic funds transfer to the financial institution designated by the Contractor in writing unless a specific waiver has been obtained from the Auditor of State. No payments will be made in advance of receipt of the goods or services that are the subject of this Contract except as permitted by IC 4-13-2-20.

### **36. Penalties/Interest/Attorney's Fees**

The State will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney's fees, except as required by Indiana law, in part, IC 5-17-5, IC 34-54-8, and IC 34-13-1.

Notwithstanding the provisions contained in IC 5-17-5, the Parties stipulate and agree that any liability resulting from the State of Indiana's failure to make prompt payment shall be based solely on the amount of funding originating from the State of Indiana and shall not be based on funding from federal or other sources.

### **37. Progress Reports**

The Contractor shall submit progress reports to the State upon request. The report shall be oral, unless the State, upon receipt of the oral report, should deem it necessary to have it in written form. The progress reports shall serve the purpose of assuring the State that work is progressing in line with the schedule, and that completion can be reasonably assured on the scheduled date.

### **38. Renewal Option**

This contract may be renewed under the same terms and conditions subject to the approval of the Commissioner of the Department of Administration and the State Budget Director in compliance with IC 5-22-17-4. The term of the renewed contract may not be longer than the term of the original contract. Any provision for automatic renewal is void.

### **39. Security and Privacy of Health Information**

The Contractor agrees to comply with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) in all activities related to this Contract, to maintain compliance throughout the life of this Contract, to operate any systems used to fulfill the requirements of this Contract in full compliance with HIPAA and to take no action which adversely affects the State's HIPAA compliance.

The parties acknowledge that the Department of Health and Human Services has issued the Final Rule, as amended from time to time, on the Standards for Privacy of Individually Identifiable Health Information, as required by HIPAA. To the extent required by the provisions of HIPAA and regulations promulgated thereunder, the Contractor covenants that it will appropriately safeguard Protected Health Information (PHI), as defined by the regulations, which is made available to or obtained by the Contractor in the course of its work under this Contract. The Contractor agrees to comply with applicable requirements of law relating to PHI with respect to any task or other activity it performs for the State as required by the final regulations.

### **40. Severability**

The invalidity of any section, subsection, clause or provision of this Contract shall not affect the validity of the remaining sections, subsections, clauses or provision of this contract.

#### 41. Substantial Performance

This contract shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any modification thereof.

#### 42. Taxes

The State of Indiana is exempt from state, many federal and local taxes. The State will not be responsible for any taxes levied on the Contractor as a result of this contract.

#### 43. Termination for Convenience

This contract may be terminated, in whole or in part, by the State whenever, for any reason, the State determines that such termination is in the best interest of the State. Termination of services shall be effected by delivery to the Contractor of a Termination Notice at least thirty (30) days prior to the termination effective date, specifying the extent to which performance of services under such termination becomes effective. The Contractor shall be compensated for services properly rendered prior to the effective date of termination. The State will not be liable for services performed after the effective date of termination. The Contractor shall be compensated for services herein provided but in no case shall total payment made to Contractor exceed the original contract price or shall any price increase be allowed on individual line items if canceled only in part prior to the original termination date.

#### 44. Termination for Default

- A. With the provision of thirty (30) days notice to the Contractor, the State may terminate this contract in whole or in part, if the Contractor fails to:
1. Correct or cure any breach of this contract;
  2. Deliver the supplies or perform the services within the time specified in this contract or any extension;
  3. Make progress so as to endanger performance of this contract; or
  4. Perform any of the other provisions of this contract.
- B. If the State terminates this contract in whole or in part, it may acquire, under the terms and in the manner the State considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.
- C. The State shall pay the contract price for completed supplies delivered and services accepted. The Contractor and the State shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the State determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.
- D. The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this contract.

#### 45. Travel.

No expenses for travel will be reimbursed unless specifically permitted under the scope of the services or consideration provision. Expenditures made by the Contractor for travel will be reimbursed at the current rate paid by the State and in accordance with the State Travel Policies and Procedures as specified in the current Financial Management Circular. Out-of-State travel requests must be reviewed by the State for availability of funds and for appropriateness per Circular guidelines. (Financial management Circular (2003-1).

#### 46. Waiver of Rights

No right conferred on either party under this contract shall be deemed waived and no breach of this contract excused, unless such waiver or excuse shall be in writing and signed by the party claimed to have waived such right.

**47. Work Standards**

The Contractor agrees to execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the State becomes dissatisfied with the work product of or the working relationship with those individuals assigned to work on this contract, the State may request in writing the replacement of any or all such individuals and Contractor shall grant such request.

**48. State Boilerplate Affirmation Clause**

I swear or affirm under the penalties of perjury that I have not altered, modified or changed the State's Boilerplate contract clauses in any way except for the following clauses which are identified by name below:

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**NON-COLLUSION AND ACCEPTANCE**

The undersigned attests, subject to the penalties for perjury, that he/she is the Contractor, or that he/she is the properly authorized representative, agent, member or officer of the Contractor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, to the best of his/her knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Contract other than that which appears upon the face of this Contract.

**The rest of this page is left blank intentionally.**

In Witness Whereof, Contractor and the State of Indiana have, through duly authorized representatives, signed the foregoing terms of the contract do by their respective signatures and the parties having read and understand the foregoing terms of the contract do by their respective signatures to the terms thereof.

**Contractor:**

Signature: H. Anita Dust  
Printed Name: H. ANITA DUST  
Title: VP  
Date: 7/30/07

**State of Indiana Agency:**

Signature: David P. Reynolds  
Printed Name: David P. Reynolds  
Title: Dep Director  
Date: 7/24/07

**Indiana Office of Technology**

N/A  
Gerry Weaver, Chief Information Officer

Date: \_\_\_\_\_

**Department of Administration**

[Signature]  
Carrie Henderson  
Commissioner  
Date: 8/24/07

**State Budget Agency**

[Signature]  
Christopher A. Ruhl  
Director  
Date: 9/19/07

**Office of the Attorney General**

Susan H. Gardner  
Stephen Carter  
Attorney General  
Date: 10-3-07

**EXHIBIT 1**  
**Scope of Services State Budget Agency / Key Benefit Administrators**

**General**

**Project Timeline**

- Prepare a project plan in Microsoft Project Gant Chart layout for review by the State Budget Agency, State Personnel Department and the Public Employees Retirement Fund that includes required resources, timelines and project requirements as contained in SEA 501-2007 and the Retirement Medical Benefits Account Plan with respect to the scope of services provided herein

**Annual Administration Services—Active Participants – June, 2008**  
**Fee—One Dollar (\$1.00) per Active Participant per year**

**Tracking Demographics**

- Establishing and maintaining the current status of each Active Participant (name, address, DOB, date of hire, etc.)
- Working with Budget Agency, State Personnel and the Public Employees Retirement Fund to resolve any discrepancies in the establishment and maintenance of accounts for Active Participants

**Tracking Contribution**

- Establishing and maintaining accounts for qualified Active Participants
- Verifying that the proper annual contributions are made to each account
- Terminating accounts and providing account balances of the terminated accounts to enable the state to properly revert credits within the terminated accounts

**Tracking annual interest amount**

- Allocating interest amounts provided by the state to the proper accounts. A percentage basis will be used.
- Verifying that the proper amount of interest was credited to each account as calculated by the Treasurer of the State, Budget Agency or the Public Employees Retirement Fund

**Annual Statement**

- One per year per Active Participant
- Reconciliation of account to be complete and resolved by August 15<sup>th</sup>. Statements to be generated and mailed no later than August 29<sup>th</sup>.

**Customer Care Support**

- Maintenance and staffing of a toll-free hotline and electronic mail submission and response  
Toll free: 1-800-558-5553    317-284-7150  
Fax: 1-866-241-1488    317-284-7269  
Email: [Flexpro@keybenefit.com](mailto:Flexpro@keybenefit.com)

Group Number: 880

- Preparation of informational materials for Active Participants. Materials included in annual statement and letter.
- Supplying informational materials for use on the internet web sites of the State Budget Agency, State Personnel Department or the Public Employees Retirement Fund

**Monthly Administration Services—Retired Participants**  
**Fee—Four Dollars (\$4.00) per Retired Participant per month**  
**(when a Retired Participant's fund balance reaches \$0.00, fees will stop)**

Tracking Demographics

- Establishing and maintaining the current status of each Retired Participant (name, address, DOB, date of hire, retirement date, etc.)
- Establishing and maintaining records of each Retired Participant's spouse and dependents. Information obtained from bi-weekly files and application/questionnaire.
- Providing an Employer Account Analysis annually showing the current status of each Retired Participant, their account balance and disbursements to the State Budget Agency, State Personnel Department or the Public Employees Retirement Fund

Initial Setup – Establishing the account

- Establishing and maintaining accounts for qualified Retired Participants
- Verifying with the State Budget Agency that the proper initial contribution was made to each account
- Working with Budget Agency, State Personnel and the Public Employees Retirement Fund to resolve any discrepancies in the initial establishment of accounts for Retired Participants. Discrepancies will be resolved promptly following notification from the Budget Agency, State Personnel or the Public Employees Retirement Fund

Maintaining the account

- Recording withdrawals (claims) from each account
- Terminating accounts and reverting any account balances to the proper state account. Notice provided to the state of terminated accounts.
- Providing Monthly Activity Reports summarizing account activity.

Tracking annual interest amount

- Allocating interest amounts provided by the state to the proper accounts. A percentage basis will be used.
- Verifying that the proper amount of interest was credited to each account as calculated by the Treasurer of the State, Budget Agency or the Public Employees Retirement Fund

#### Claims processing

- Preparing information packets and claim forms within 45 days after the last day of service
- Receiving claims from Retired Participants
- Verifying eligibility of claims
- Verifying sufficiency of funds in the account
- Storing and maintaining all records related to claims filed, processed and paid
- Making records available upon request to a Retired Participant, the Budget Agency, State Personnel Department or the Public Employees Retirement Fund
- Establishing a process to address inactive accounts. The determination of when an account is inactive to be defined by the state and communicated to Contractor.
- Providing data to the Budget Agency, State Personnel Department or the Public Employees Retirement Fund on claims filed, processed and paid in the Monthly Activity Report

#### Checks and EOB mailed to retiree homes

- Paying approved claims from the proper account in a timely manner.
- Mailing or electronically depositing payment in a timely manner to each Retired Participant with an approved claim.
- If applicable, providing written notice of denial of a claim to a Retired Participant, stating the reasons for the denial

#### Annual Reconciliation

- Reconciliation by August 15<sup>th</sup> of each Plan Year of each account to verify contributions, earnings, expenses and claims were properly accounted for in each account.
- Coordinate and cooperate with State Board of Accounts with respect to any audits.

#### Retiree Annual Statement

- One per year per Retired Participant
- Reconciliation of account to be complete and resolved by August 15<sup>th</sup>. Statements to be generated and mailed no later than August 29<sup>th</sup>.

#### Customer Care Support

- Maintenance and staffing of a toll-free hotline and electronic mail submission and response  
Toll free: 1-800-558-5553 317-284-7150  
Fax: 1-866-241-1488 317-284-7269  
Email: [Flexpro@keybenefit.com](mailto:Flexpro@keybenefit.com)  
Group Number: 980
- Preparation of informational materials and application for prospective Retired Participants



- Supplying informational materials for use on the internet web sites of the State Budget Agency, State Personnel Department or the Public Employees Retirement Fund.

CBA 0353351

ORIGINAL COPY  
COMMERCIAL AUTOMOBILE POLICYgeneral casualty

AGENCY BILL

RENEWAL DECLARATION

RENEWAL OF:  
CBA 0353351

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE	AGENCY
CBA 0353351	04/21/2007 04/21/2008	GENERAL CASUALTY CO OF WI	0134440
NAMED INSURED AND ADDRESS		AGENT	
KEY BENEFIT ADMINISTRATORS INC AS PER G 40-1 PO BOX 55210 INDIANAPOLIS IN 46205		MCGOWAN INSURANCE GROUP  10 W MARKET ST SUITE 1850 INDIANAPOLIS IN 097 46204	

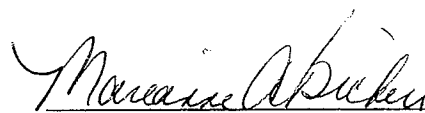
ITEM ONE — REFER TO THE NAMED INSURED AND ADDRESS SHOWN ABOVE.  
THE NAMED INSURED IS: CORPORATION  
BUSINESS OF THE NAMED INSURED: THIRD PARTY ADMINISTRATOR

## ITEM TWO — SCHEDULE OF COVERAGES AND COVERED AUTOS

THIS POLICY PROVIDES ONLY THOSE COVERAGES WHERE A CHARGE IS SHOWN IN THE PREMIUM COLUMN BELOW. EACH OF THESE COVERAGES WILL APPLY ONLY TO THOSE AUTOS SHOWN AS COVERED AUTOS. AUTOS ARE SHOWN AS COVERED AUTOS FOR A PARTICULAR COVERAGE BY THE ENTRY OF ONE OR MORE OF THE SYMBOLS FROM THE COVERED AUTO SECTION OF THE BUSINESS AUTO COVERAGE FORM NEXT TO THE NAME OF THE COVERAGE.

COVERAGES	COVERED AUTOS	LIMIT —	THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	01	\$ 1,000,000		\$ 11,355
PERSONAL INJURY PROTECTION (P.I.P.)		SEPARATELY STATED IN EACH P.I.P. END. MINUS \$ DEDUCTIBLE		\$
ADDED P.I.P.		SEPARATELY STATED IN EACH P.I.P. END.		\$
MEDICAL PAYMENTS	02	\$ 5,000 EACH PERSON		\$ 480
UNINSURED MOTORISTS	02	\$ 1,000,000		\$ 491
THIS LIMIT IS REDUCED BY PAYMENT FROM OTHER SOURCES. SEE THE ATTACHED UNINSURED MOTORISTS COVERAGE FORM ATTACHED TO THIS POLICY				
UNDERINSURED MOTORISTS (WHEN NOT INCLUDED IN UNINSURED MOTORISTS COVERAGE)	02	\$ 1,000,000		\$ 738
THIS LIMIT IS REDUCED BY PAYMENT FROM OTHER SOURCES. SEE THE ATTACHED UNDERINSURED MOTORISTS COVERAGE FORM ATTACHED TO THIS POLICY				
COMPREHENSIVE	02,08	SEE ITEM 3 FOR DED. FOR EACH COV. AUTO		\$ 1,422
SPECIFIED CAUSES OF LOSS		FOR ALL LOSS EXCEPT FIRE OR LIGHTNING \$ 25 DED. FOR EACH COV. AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$
COLLISION	02,08	SEE ITEM 3 FOR DED. FOR EACH COV. AUTO		\$ 3,923
TOWING & LABOR	02	\$ 50 FOR EACH DISABLEMENT OF A PRIVATE PASSENGER AUTO		\$ 230

\$  
PREMIUM FOR FORMS AND ENDORSEMENTS —\$ 1,262  
ESTIMATED TOTAL PREMIUM —\$ 19,901



AUTHORIZED SIGNATURE

03/29/2007

DATE

CCI 0353351

ORIGINAL COPY  
COMPREHENSIVE INSURANCE POLICYgeneral casualty

AGENCY BILL

RENEWAL DECLARATION

RENEWAL OF:  
CCI 0353351

POLICY NUMBER	POLICY PERIOD		COVERAGE IS PROVIDED IN THE	AGENCY
CCI 0353351	04/21/2007	04/21/2008	GENERAL CASUALTY CO OF WI	0134440
NAMED INSURED AND ADDRESS			AGENT	
KEY BENEFIT ADMINISTRATORS INC AS PER G 40-1 PO BOX 55210 INDIANAPOLIS IN 46205			MCGOWAN INSURANCE GROUP  10 W MARKET ST SUITE 1850 INDIANAPOLIS IN 097 46204	

## COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

## LIMITS OF INSURANCE

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS-COMPLETED OPERATIONS)	\$ 2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000
EACH OCCURRENCE LIMIT	\$ 1,000,000
PERSONAL & ADVERTISING INJURY LIMIT (ANY ONE PERSON OR ORGANIZATION)	\$ 1,000,000
DAMAGE TO PREMISES RENTED TO YOU (ANY ONE PREMISES)	\$ 300,000
MEDICAL EXPENSE LIMIT (ANY ONE PERSON)	\$ 5,000

TOTAL GENERAL LIABILITY COVERAGE PART PREMIUM: \$ INCLUDED

CCU 0353351

ORIGINAL COPY  
COMMERCIAL UMBRELLA POLICY**general casualty**

AGENCY BILL

RENEWAL DECLARATION

RENEWAL OF:  
CCU 0353351

POLICY NUMBER	POLICY PERIOD		COVERAGE IS PROVIDED IN THE	AGENCY
CCU 0353351	04/21/2007	04/21/2008	GENERAL CASUALTY CO OF WI	0134440
NAMED INSURED AND ADDRESS			AGENT	
KEY BENEFIT ADMINISTRATORS INC AS PER G 40-1 PO BOX 55210 INDIANAPOLIS IN 46205			MCGOWAN INSURANCE GROUP  10 W MARKET ST SUITE 1850 INDIANAPOLIS IN 097 46204	

## COMMERCIAL LIABILITY UMBRELLA COVERAGE PART DECLARATIONS

## LIMITS OF INSURANCE

GENERAL AGGREGATE LIMIT \$ 5,000,000  
(EXCEPT WITH RESPECT TO "COVERED AUTOS")

EACH OCCURRENCE LIMIT \$ 5,000,000

PERSONAL & ADVERTISING INJURY LIMIT \$ 5,000,000 ANY ONE PERSON OR ORGANIZATION

OTHER \$  
\$

## RETAINED LIMIT

SELF-INSURED RETENTION \$ -0-

TOTAL UMBRELLA COVERAGE PART PREMIUM: \$ 4,160

*Marvonne A. Buckner* 03/27/2007  
AUTHORIZED SIGNATURE DATE

CWC 0353351

ORIGINAL COPY  
WORKERS COMPENSATION AND EMPLOYERS  
LIABILITY INSURANCE POLICYgeneral casualty

AGENCY BILL

RENEWAL BUSINESS INFORMATION PAGE

RENEWAL OF:  
CWC 0353351

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE	AGENCY
CWC 0353351	04/21/2007 04/21/2008	GENERAL CASUALTY CO OF WI	0134440
NAMED INSURED AND ADDRESS		AGENT	
KEY BENEFIT ADMINISTRATORS INC AS PER SCHEDULE PO BOX 55210 INDIANAPOLIS IN 46205		MCGOWAN INSURANCE GROUP  10 W MARKET ST SUITE 1850 INDIANAPOLIS IN 097 46204	

## WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

ENTITY OF INSURED CORPORATION

CARRIER NO. 12440

ADDITIONAL LOCATIONS - SEE ATTACHED SCHEDULE

2. POLICY PERIOD - 04/21/2007 TO 04/21/2008 12:01 AM STANDARD TIME AT  
ADDRESS OF THE INSURED AS STATED HEREIN.
- 3A. WORKERS COMPENSATION INSURANCE: PART ONE OF THE POLICY APPLIES TO THE  
WORKERS COMPENSATION LAW OF THE STATES LISTED HERE: IN, FL, SC, NC,  
TN, GA, NV
- 3B. EMPLOYERS LIABILITY INSURANCE: PART TWO OF THE POLICY APPLIES TO WORK  
IN EACH STATE LISTED IN ITEM 3A. THE LIMITS OF OUR LIABILITY UNDER PART  
TWO ARE:
- |                           |            |               |
|---------------------------|------------|---------------|
| BODILY INJURY BY ACCIDENT | \$ 500,000 | EACH ACCIDENT |
| BODILY INJURY BY DISEASE  | \$ 500,000 | EACH EMPLOYEE |
| BODILY INJURY BY DISEASE  | \$ 500,000 | POLICY LIMIT  |
- 3C. OTHER STATES INSURANCE : PART THREE OF THE POLICY APPLIES TO THE STATES,  
IF ANY, LISTED HERE: SEE ATTACHED SCHEDULE

SEE ATTACHED SCHEDULE FOR LIST OF ENDORSEMENTS FORMING PART OF THIS POLICY.

4. THE PREMIUM FOR THIS POLICY WILL BE DETERMINED BY OUR MANUALS OF RULES,  
CLASSIFICATION, RATES, AND RATING PLANS. ALL INFORMATION REQUIRED BELOW  
IS SUBJECT TO VERIFICATION AND CHANGE BY AUDIT.  
ADJUSTMENT OF PREMIUM SHALL BE MADE ANNUALLY

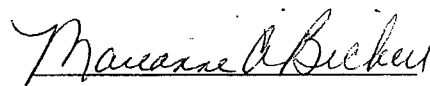
REFER TO THE ATTACHED SCHEDULE FOR APPLICABLE CLASSIFICATIONS.

MINIMUM PREMIUM \$ 453

EXPENSE CONSTANT	\$ 250
TOTAL ESTIMATED ANNUAL PREMIUM	\$ 51,640
DEPOSIT PREMIUM	\$ 51,640

FEDL EMPL ID NO.: 35-1450364

INTER/INTRA ID NO.: 91-1064804



AUTHORIZED SIGNATURE

03/20/2007

DATE